

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7305

BILL NUMBER: HB 1276

NOTE PREPARED: Jan 5, 2009

BILL AMENDED:

SUBJECT: Energy Cost Savings Contracts.

FIRST AUTHOR: Rep. Klinker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill deletes the \$10,000,000 maximum on the amount of bonds that may be outstanding for a state educational institution's qualified energy savings projects. It provides that in order to establish the reasonable expectation of savings for purposes of the statutes governing bonds for energy cost savings contracts, a state educational institution must enter into a qualified energy savings contract in which the qualified provider guarantees in writing that the guaranteed savings achieved will at least equal the annual debt service requirements on the bonds.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill would remove the current limit of \$10 M on qualified energy saving bonds. The bill would increase the amount of qualified energy saving bonds that can be issued by a state educational institution.

Background: Currently, only Indiana University and Purdue University have qualified energy saving bonds (about \$8.6 M for Purdue University and \$8.8 M for Indiana University).

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State educational institutions.

Local Agencies Affected:

Information Sources: Kevin Greene, Purdue University; John Grew, Indiana University; Bob Holmes, Ivy Tech Community College; Phil Rath, Vincennes University; Diann McKee, Indiana State University; Phil Sachtleben, Ball State University; Cindy Brinker, University of Southern Indiana.

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